TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

(Authority: A.R.S. § 27-514 et seq.)

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

Section

ARTICLE 2. REPEALED

Article 2, consisting of R12-7-201 through R12-7-221, R12-7-231 through R12-7-234, R12-7-241 through R12-7-246, R12-7-251, R12-7-252, R12-7-261 through R12-7-264, R12-7-271, R12-7-272, R12-7-281, R12-7-291 through R12-7-294, and Appendix 1, repealed effective January 2, 1996 (Supp. 96-1).

ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES

R12-7-101. Definitions

In this Chapter, unless the context otherwise requires:

"API" means American Petroleum Institute.

"Barrel" means 42 (US) gallons measured at 60° F and atmospheric pressure at sea level.

"BTU" means British thermal unit and represents the quantity of heat required to raise the temperature of 1 pound of water 1° F at or near 39.2° F.

"Condensate" means liquid hydrocarbons recovered at the earth's surface as a result of condensation due to reduced pressure or temperature of petroleum hydrocarbons that exist in a gaseous phase in subsurface reservoir rocks.

"Cubic foot of gas" means the volume of gas contained in 1 cubic foot of space at a standard pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.

"Gas well" means a well that produces with a gas-oil ratio in excess of 50,000 cubic feet of gas per barrel of oil.

"Injection well" means a well used to inject air, gas, water, or other substance into an underground stratum.

"Mcf" means 1000 cubic feet of gas reported at a pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.

"Oil well" means a well that produces with a gas-oil ratio less than 50,000 cubic feet of gas per barrel of oil.

"Operator" means any person authorized by an owner to control the day-to-day activities of a well or production or refining facility.

"Shut-in well" means a well that is capable of production in paying quantities, is completed as a producing well, and is not presently being operated.

"Stratigraphic test or core hole test" means drilling a hole for the sole purpose of obtaining geological information.

"Temporarily abandoned well" means a well that is not capable of production in paying quantities and is not presently being operated.

Historical Note

Former B; Former Section R12-7-101 renumbered and amended as Section R12-7-102, former Section R12-7-100 renumbered and amended as Section R12-7-101 effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1). Amended by final rulemaking at 6 A.A.R. 4827, effective December 7, 2000 (Supp. 00-4).

R12-7-102. Repealed

Historical Note

Former 101; Former Section R12-7-102 renumbered and amended as Section R12-7-103, former Section R12-7-101 renumbered and amended as Section R12-7-102 effective September 29, 1982 (Supp. 82-5). Repealed effective January 19, 1994 (Supp. 94-1).

R12-7-103. Bond

A. An operator shall file a performance bond with the Commission prior to approval of a permit to drill a new well, re-enter an abandoned well, or assume responsibility as operator of existing wells. The bond amount shall be $10,000 for a well drilled to a total depth of 10,000 feet or less, $20,000 for a well drilled deeper than 10,000 feet, or $25,000 as a blanket bond to cover all wells and shall be payable to the Oil and Gas Conservation Commission, State of Arizona, and conditioned upon the faithful performance by the operator of the duty to drill each well in a manner to prevent waste, plug each dry or abandoned well, repair each well causing waste or pollution, and maintain and restore the well site.

B. The Commission shall accept a bond in the form of a surety bond, executed by the operator as principal and a corporate surety authorized to do business in Arizona, a certified check, or a certificate of deposit at a federally insured bank authorized to do business in Arizona.

C. Transfer of property does not release the bond. If a property is transferred and the principal desires to be released from the bond, the procedure shall be as follows:

1. The principal on the bond shall notify the Commission in writing of the proposed transfer, giving the location of each well, the date and number of each permit to drill, and the name, address, and telephone number of the proposed transferee.
2. The transferee of any well or of the operation of any well shall declare to the Commission in writing acceptance of the transfer and of the responsibility of each well and shall submit a new bond or bonds unless the transferee's blanket bond applies to the well or wells.
3. When the Commission approves the transfer, the transferor is released from all responsibility with respect to the well or wells, and the Commission shall notify the principal and the bonding company in writing that the transferor's applicable bond or bonds are subject to release.

Historical Note

Former Rule 102; Former Section R12-7-103 renumbered and amended as Section R12-7-104, former Section R12-7-102 renumbered and amended as Section R12-7-103 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-104. Application for Permit to Drill

A. Before drilling or re-entering any well or conducting any surface disturbance associated with such activity, the operator shall submit to the Commission an application for permit to drill or re-enter and obtain approval. The complete application package shall contain:

1. An application for permit to drill on a form provided by the Commission, which shall include the operator's name, address, and phone number, and a description of the proposed well and its location;
2. A well and well-site construction plan that meets the requirements of R12-7-108 through R12-7-118;
3. A plat, prepared and certified by a registered surveyor bearing the surveyor's certificate number, on which is shown the exact acreage or legal subdivision allotted to the well as required by R12-7-107, the well's exact location, and its ground-level elevation;
4. An organization report as required by R12-7-194;
5. A performance bond, as required by R12-7-103; and
6. A fee of $25.00 per well.

B. The Commission shall mail to the applicant, within 30 days of receipt of the application required in subsection (A), written notice of administrative completeness or a detailed list of deficiencies. Within 30 days of receipt of all items required in subsection (A), the Commission shall review the application and:

1. Issue a permit to drill, or
2. Provide a written explanation in compliance with A.R.S. § 41-1076 to the applicant if the application is not approved.

C. Time-frames
1. The administrative review period is 30 days. The substantive review period is 30 days. The overall time-frame is 60 days.
2. For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays shall be included in the time-frame computation. The last day of the notice period shall be included in the computation unless it is a Saturday, Sunday, or legal holiday.

D. Unless operations are commenced within 180 days after date of approval, the permit to drill shall become null and void unless an extension in writing is granted by the Commission.

E. In case of imminent danger to public safety or of contamination of the environment, the Commission may authorize the drilling of an emergency relief or offset well to reduce the danger or hazard. Within 10 days of commencing an emergency relief or offset well, the operator shall file an application as required in subsection (A). No well drilled under this subsection shall be used for production unless it conforms to the provisions of R12-7-107.

Historical Note

Former Rule 103; Former Section R12-7-104 renumbered and amended as Section R12-7-105, former Section R12-7-103 renumbered and amended as Section R12-7-104 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1). Amended effective June 6, 1997 (Supp. 97-2).

R12-7-105. Change of Location

A. No operator shall drill a well in a location other than that authorized by the permit issued pursuant to R12-7-104 until the following requirements have been met:
1. If the operator decides to change the location before drilling the well, an amended application for permit to drill shall be filed showing the new location.
2. If it is determined that the location is erroneously described on the permit after drilling has begun, the operator shall obtain a new permit showing the correct location.

B. If the new location is at an authorized point in the approved drilling unit as provided in the initial permit, the application may be made by electronic communication and the Commission may by electronic communication authorize the commencement or continuance of drilling operations. Within ten days after obtaining such authorization, the operator shall file an amended application showing the new location. An amended permit may be issued and the old permit cancelled without payment of additional fee.

C. If the new location is located outside the approved drilling unit covered by the initial permit, no drilling shall be commenced or continued until a new application for permit to drill is filed and approved as required by R12-7-104, including payment of an additional fee.

Historical Note

Former Rule 104; Former Section R12-7-105 renumbered and amended as Section R12-7-106, former Section R12-7-104 renumbered and amended as Section R12-7-105 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-106. Identification of Wells, Producing Leases, Tanks, Refineries, Buildings, and Facilities

A. The operator shall mark each drilling, producing, injection, or shut-in well in a conspicuous place with the operator's name, lease name or number, well number, and the legal description of the well's location.

B. The operator shall mark each abandoned well as required in R12-7-127(F).

C. The operator shall mark all tank batteries, gasoline plants, structures, storage buildings, compressors, and compressor buildings, and all other storage or transportation equipment with the operator's name, address, telephone number, lease name or number, and location. All structures within a fenced yard may be identified by a single sign at the principal outside entrance to the yard.

D. The operator of a storage-well facility shall clearly mark each well with the operator's name, lease name or number, and well number. Each outside entrance to the facility shall be marked with the operator's name, address, and one or more emergency response telephone numbers.

E. The operator of a refinery shall mark each facility at each outside entrance with the operator's name, address, and one or more emergency response telephone numbers.

F. Sign lettering shall contrast strongly with the background and be large enough to be legible under normal conditions at a distance of 25 feet. The operator shall preserve these markings and keep them legible and up to date.

Historical Note

Former Rule 105; Former Section R12-7-106 renumbered and amended as Section R12-7-107, former Section R12-7-105 renumbered and amended as Section R12-7-106 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-107. Spacing of Wells

A. Every well drilled for oil shall be located on a drilling unit consisting of approximately 80 contiguous surface acres within two governmental quarter-quarter sections or lots having one side in common, upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to, the same pool.
1. In areas not covered by United States Public Land Surveys, the oil drilling unit shall consist of an area bounded by four sides intersecting at angles of not less than 85 degrees or more than 95 degrees. The unit shall contain at least 76 contiguous surface acres and its maximum dimension shall not exceed 3,000 feet.
2. No well drilled for oil shall be located closer than 330 feet to any boundary of the drilling unit or closer than 330 feet to the shortest center line of the drilling unit.
3. No well drilled for oil shall be located within a quarter-quarter section or lot having one side in common with another quarter-quarter section or lot upon which there is located a well completed in or drilling to the same pool.

B. Every well drilled for gas shall be located on a drilling unit consisting of approximately 640 but not less than 600 contiguous surface acres within one governmental section upon which there is not located, and of which no part is attributed to, any other well completed in or drilling to the same pool.
1. In areas not covered by United States Public Land Surveys, the gas drilling unit shall consist of an area bounded by four sides intersecting at angles of not less than 85 degrees or more than 95 degrees. The unit shall contain at least 600 contiguous surface acres and its maximum dimension shall not exceed 8,500 feet.
2. No well drilled for gas shall be located closer than 1,660 feet from any boundary of the drilling unit.

C. Every well drilled for geothermal resources shall be located on a drilling unit approved or as modified by the Commission. The Commission may require modification to minimize well interference and provide the necessary volume of geothermal

resources for the intended use, to protect correlative rights, and to protect the environment.

D. If the operator drills a horizontal segment, that horizontal segment shall be located:
1. At least 330 feet from the boundary of the spacing unit in the case of an oil well;
2. At least 1,660 feet from the boundary of the spacing unit in the case of a gas well; and
3. As approved or modified by the Commission in the case of a geothermal well.

E. The Commission may grant exceptions to the regular locations specified in subsections (A), (B), and (C) only after notice and hearing.
1. Applications for exception shall fully state the reasons why the exception is necessary and shall include a plat prepared and certified by a registered surveyor bearing the surveyor's certificate number showing all other completed, drilling, and permitted wells on the property and all adjoining surrounding properties and wells.
2. Exceptions shall be granted only after the operator provides by certified mail a copy of the application to all adjoining lessees, and only after the Commission deter mines in a duly noted public hearing that the application is valid.
3. The Commission may grant an exception location without notice or hearing when topography prohibits drilling at a regular location on the drilling unit.
4. If an existing well's classification changes due to its recompletion or due to a change in the nature of the product being produced, the Commission may approve an irregular location application with supporting data and ten days' notice and hearing, provided that the operator furnish the Commission with proof of mailing of a copy of the application to all operators within a one-mile radius of the acreage to be dedicated.

F. In order to prevent waste, the Commission may, after notice and hearing, fix different spacing requirements and require lesser or greater acreage for drilling units in any specific oil, gas, or geothermal resource pool notwithstanding the provisions of subsections (A), (B), and (C).

G. The Commission may order pooling and integration of interests pursuant to A.R.S. §§ 27-505 and 27-666.

Historical Note

Former Rule 106; Former Section R12-7-107 renumbered and amended as Section R12-7-108, former Section R12-7-106 renumbered and amended as Section R12-7-107 effective September 29, 1982 (Supp. 82-5). Correction, paragraph (1) "No well drilled for oil shall be located within the bounds of a quarter-quarter section or lot . . ." (Supp. 82-6). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-108. Pit for Drilling Mud and Drill Cuttings

A. Each operator shall maintain an adequate supply of drilling mud to confine oil, gas, or water to its native stratum during the drilling of any well and shall provide, before drilling is commenced, an adequate pit, either earthen or portable, for the drilling mud or the accumulation of drill cuttings.

B. An earthen pit used for drilling, deepening, testing, reworking, or fracturing shall be constructed of or sealed with an impervious material and shall be maintained to prevent escape of any contained substance. Earthen pits shall be fenced on all sides at all times.

C. Earthen pits shall be constructed and maintained to prevent the entrance of outside runoff water and the fluid level in earthen pits shall be kept at all times at least 18 inches below the lowest point of the embankment.

D. Any mud contained in an earthen pit shall be water-based and contain no more than one pound per barrel of thinner for each 25 pounds per barrel of barite or hematite. Mud containing chromium lignosulfonate, ferrochrome lignosulfonate or other chromium compounds shall not be used.

E. Drilling mud shall be disposed of by either recycling or commercial off-site disposal. Mud described in subsection (D) may be disposed of by evaporation and subsequent leveling of the pits.

Historical Note

Former Rule 107; Former Section R12-7-108 renumbered and amended as Section R12-7-109, former Section R12-7-107 renumbered and amended as Section R12-7-108 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-109. Repealed

Historical Note

Former Rule 108; Former Section R12-7-109 renumbered and amended as Section R12-7-110, former Section R12-7-108 renumbered and amended as Section R12-7-109 effective September 29, 1982 (Supp. 82-5). Repealed effective January 19, 1994 (Supp. 94-1).

R12-7-110. Surface Casing Requirements

A. Surface casing shall be set at a sufficient depth to protect and isolate all known or reasonably estimated freshwater zones and to prevent blowouts or uncontrolled flows. The surface casing shall:
1. Be of sufficient size to permit the use of an intermediate string or strings of casing;
2. Be set in or through an impervious formation and shall be cemented by the pump and plug, displacement, or other method approved by the Commission;
3. Be cemented back to surface either during the primary cement job or by remedial action; and
4. Have API-approved centralizers on the bottom three joints as a minimum.

B. Cement shall be allowed to set a minimum of 12 hours under the lowest necessary pressure before drilling the cementing plugs or initiating tests.

C. Surface casing shall be pressure tested for at least 30 minutes to 70% of internal yield pressure or one psi per foot of casing depth, whichever is less. If a drop of more than 10% of the test pressure should occur, the casing shall be considered defective and corrective measures shall be applied. In wells drilled with cable tools, casing may be tested by bailing the well dry. The hole shall remain satisfactorily dry for one hour before commencing further operations. Results of the above test and any remedial action shall be reported in writing to the Commission within 15 days following the test.

D. The operator of a well shall notify the Commission at least 48 hours before setting surface casing so that a representative of the Commission may witness all or a part of the operations required in this Section.

Historical Note

Former Rule 109; Former Section R12-7-110 renumbered and amended as Section R12-7-111, former Section R12-7-109 renumbered and amended as Section R12-7-110 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-111. Intermediate and Production Casing and Tubing Requirements

A. All producing wells shall be completed with production casing set directly above or through the producing interval and cemented by the pump and plug method, or other method approved by the Commission, to protect the zones to be produced. An intermediate string of casing may be required to seal off all potentially productive, lost circulation, and abnormally pressured zones that may be encountered in the well, except those to be produced. The Commission may require casing strings to be cemented from the maximum depth of the casing to at least 50 feet inside the previously run string of casing. For liners, a minimum of 100 feet of overlap between a string of casing and the next larger casing is required.

B. Strings of casing shall stand cemented for at least 12 hours before drilling out the cementing plugs or initiating such tests as the Commission may require.

C. Strings of intermediate and production casing shall be pressure tested to 70% of the manufacturer's rated internal yield pressure or one psi per foot of casing depth, whichever is less. In cases where combination strings utilizing casing of varied grades and weights are used, the above test pressures shall apply to the lowest pressure rated component used. If pressure declines more than 10% in 30 minutes, the casing shall be considered defective and corrective measures shall be applied.

1. In wells drilled with cable tools, casing may be tested by bailing the well dry, in which case the hole shall remain satisfactorily dry for at least one hour before commencing further operations on the well. Results of the above test and any remedial action shall be reported in writing to the Commission within 15 days following the test.

D. All flowing oil wells shall have tubing set as near the bottom as practical with tubing perforations not more than 250 feet above the top of the zone to be produced. Wells may be completed with small-diameter casing, which is generally understood in the industry to be "slim hole" or "tubingless" completions, in lieu of tubing.

E. The operator shall notify the Commission at least 48 hours before setting any casing string so that a representative of the Commission may witness all or a part of the operations required in this Section.

Historical Note

Former Rule 110; Former Section R12-7-111 renumbered and amended as Section R12-7-112, former Section R12-7-110 renumbered and amended as Section R12-7-111 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-112. Defective Casing or Cementing

A. The operator shall take immediate steps to correct the casing condition of any well that may cause, or is causing, underground waste of oil, gas, or geothermal resources or contamination of fresh waters. These steps shall restore the integrity of the casing to the standards set in R12-7-110(C) and R12-7-111(C).

B. The operator shall report the corrective actions taken in writing to the Commission within 15 days of the completion of the work. If the condition of the casing cannot be corrected, the well shall be plugged and abandoned in compliance with R12-7-127.

Historical Note

Former Rule 111; Former Section R12-7-112 renumbered and amended as Section R12-7-113, former Section R12-7-111 renumbered and amended as Section R12-7-112 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-113. Blowout Prevention and Related Well-control Equipment

A. When drilling in areas where pressures are unknown or high pressures do or are likely to exist, a blowout preventer, control head and related lines, and connections necessary to control the pressures and to keep the well under control at all times shall be installed as soon as the surface casing is set.

B. Upon installation, all ram-type blowout preventers and related equipment shall be pressure tested to the lesser of the manufacturer's full working pressure rating of the equipment, 70% of the minimum internal yield pressure of any casing subject to test, or one psi per foot of the last casing string depth. Annular or bag-type preventers shall be tested to the lesser of 1000 psi or 50% of full working pressure on installation. The blowout preventer and related equipment shall be tested:

1. After each string of casing is set in the well,
2. Not less than once each 14 days from each control station, and
3. Following repairs that require disconnection of any pressure seal in the assembly. Only the component repaired or replaced needs be tested unless alteration or repair occurs at a normal full blowout preventer test period.

C. The operator shall maintain records of the tests required in this Section until the well is completed and shall submit copies of these records to the Commission if required.

Historical Note

Former Rule 112; Former Section R12-7-113 renumbered and amended as Section R12-7-114, former Section R12-7-112 renumbered and amended as Section R12-7-113 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-114. Recovery of Casing

Recovery of inside or outside strings of casing is prohibited unless written approval is obtained from the Commission. Approval shall be given only for wells where mudding and plugging operations can be carried out safely and the well abandoned in compliance with R12-7-127.

Historical Note

Former Rule 113; Former Section R12-7-114 renumbered and amended as Section R12-7-115, former Section R12-7-113 renumbered and amended as Section R12-7-114 effective September 29, 1982 (Supp. 82-5). Section repealed, new Section adopted effective January 19, 1994 (Supp. 94-1).

R12-7-115. Deviation of Hole and Directional Drilling

A. No drilling well may be intentionally deviated from its normal vertical course unless the operator shall first file application and obtain approval from the Commission after notice and hearing. The normal vertical course of a well is defined by a tolerance wherein the maximum deviation of the well does not exceed a 100-foot radius from the surface location. Deviation from the vertical for short distances is permitted in the drilling of a well without special approval only to straighten the hole, sidetrack junk, or correct other mechanical difficulties.

B. An application for directional drilling shall include:

1. The name, address, and phone number of the operator;
2. The field name, lease name, well number, state permit number, reservoir name, and county where the proposed well is located;
3. A plat or sketch showing the distance from the surface location to section and lease lines and to the target location within the intended producing interval;
4. The reason for the intentional deviation; and
5. The signature of the operator.

C. The operator of any well capable of production and whose producing interval or any portion thereof is located 330 feet or less in the case of an oil well or 1,660 feet or less in the case of a gas well from the boundary of any drilling unit shall run a directional survey before running the production casing.

D. In order to ensure compliance with this Section, the Commission may require the operator to run a directional survey of any hole at the operator's expense. The Commission may require an operator to run a directional survey of any hole at the request of an offset operator at the expense and risk of the offset operator unless the survey shows that the well is completed at a point outside the drilling unit, or at an unauthorized point.

E. Within 30 days following the completion of a directionally drilled well, the operator shall file with the Commission a complete angular deviation and directional survey of the well obtained by a well survey company.

F. Nothing in these rules shall be interpreted to permit the drilling of any well in such manner that it crosses the drilling unit lines, except by approval obtained after notice and hearing.

Historical Note

Former Rule 114; Former Section R12-7-115 renumbered and amended as Section R12-7-116, former Section R12-7-114 renumbered and amended as Section R12-7-115 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-116. Multiple Zone Completions

A. Completions to include production from more than one common source of supply from a single well are prohibited except as authorized by the Commission after notice and hearing. After notice and hearing, the Commission shall maintain a list of zones or reservoirs, by fields, for which multiple completions have been authorized.

B. Operators shall file an application for multiple completion with the Commission and shall demonstrate the method to be used to keep the production streams separate. The application shall be accompanied by:

1. An electrical log or other acceptable log with tops and bottoms of formations or producing zones and perforated intervals shown and marked;
2. A diagrammatic sketch of the multiple completion installation indicating make, type, and setting depths of packer or packers;
3. A plat showing the location of the well and all offset wells and the names and addresses of operators of all leases offsetting acreage dedicated to applicant's well; and
4. Proof of mailing of application for multiple completion to all offset operators.

C. The Commission may approve subsequent applications for multiple completion of the same zones or reservoirs in a field administratively without a hearing, provided that:

1. The applicant can show that the Commission has approved and listed the zones or reservoirs as required in subsection (A);
2. The subsequent application is filed as required in subsection (B); and
3. The Commission receives no protest to the application after a 15-day holding period. A hearing shall be called if a protest is received.

D. Within 15 days of setting the final packer or packers, the operator shall file a report with the Commission identifying the well and its location showing the make, type, and depth set of each packer and the signature of the supervisor of the work. This report shall include the results of a packer leakage test and detail for each separate common source of supply, its stabilized shut-in pressure, producing pressure, and the simultaneous shut-in pressure on each other separate common source of supply. The operator shall notify the Commission at least 48 hours in advance of performing the tests required in this subsection.

E. Every operator of a multi-completed well shall operate, produce, and maintain the well to prevent commingling of production from the separate sources of supply. The Commission may require any multi-completed well to be tested at any time to demonstrate the effectiveness of the separation of sources of supply. These tests may be witnessed by representatives of the Commission and by offset operators.

Historical Note

Former Rule 115; Former Section R12-7-116 renumbered and amended as Section R12-7-117, former Section R12-7-115 renumbered and amended as Section R12-7-116 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-117. Artificial Stimulation of Oil and Gas Wells

A. An operator shall report the artificial stimulation of any well to the Commission in writing within 15 days of the stimulation showing the type of stimulation, the amounts and types of materials used, stimulation pressures applied, and the flow and pressure results before and after stimulation.

B. If the artificial stimulation of a well results in any damage to the producing formation, a freshwater formation, casing, or casingseat that permits communication between fluid-bearing zones, the operator shall immediately notify the Commission and proceed with diligence to correct the damage. If the artificial stimulation results in irreparable damage to the well, the operator shall plug and abandon the well pursuant to R12-7-127.

Historical Note

Former Rule 116; Former Section R12-7-117 renumbered and amended as Section R12-7-118, former Section R12-7-116 renumbered and amended as Section R12-7-117 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1). Amended effective June 5, 1998 (Supp. 98-2).

R12-7-118. Operations in Hydrogen Sulfide Environments

A. When drilling, redrilling, deepening, or plugging back operations in areas where the formations to be penetrated are known to contain or are expected to contain hydrogen sulfide gas (H_2S) in excess of 10 ppm and in areas where the presence or absence or H_2S is unknown, the operator shall contract the services of an approved H_2S safety company to be on location at the known or expected depths.

B. A written contingency plan providing details of actions to be taken to alert and protect operating personnel and members of the public in the event of an accidental release of H_2S gas shall be submitted to the Commission as part of the initial application for a permit to drill or as a sundry notice.

Historical Note

Former Rule 117; Former Section R12-7-118 renumbered and amended as Section R12-7-119, former Section R12-7-117 renumbered and amended as Section R12-7-118 effective September 29, 1982 (Supp. 82-5). Amended effective January 19, 1994 (Supp. 94-1).

R12-7-119. Wellhead and Lease Equipment

A. The operator shall install and maintain valves, fittings, and wellhead connections that

1. Have a rated working pressure equivalent to at least 100% of the calculated or known surface pressure to which they may be subjected from the producing zone;
2. Allow well production, productivity, deliverability, and transient pressure tests;
3. Permit pressures to be obtained on both casing and tubing; and
4. Control the flow of the oil, gas, or geothermal resources on a flowing well.

B. The operator shall produce flowing oil wells into tanks equipped with high-low pressure and high-low level shut-in controls and shall install a safety valve that automatically closes on the wellhead in the event of surface production equipment malfunctions.

C. The operator shall equip artificial lift wells with wellhead safety sensors to shut off the source of power in the event of abnormally high or low flowline pressures.

Historical Note

Former Rule 118; Former Section R12-7-119 renumbered and amended as Section R12-7-120, former Section R12-7-118 renumbered and amended as Section R12-7-119 effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-120. Notification of Fire, Leaks, Spills, and Blowouts

A. Each operator shall notify the Commission within 24 hours of any fire, break, leak, spill, overflow, or blowout that occurs at any oil, gas, or geothermal drilling, producing, or transportation facility, or at any injection, disposal, or storage facility.

B. Each operator shall file a final written report within 15 days of resolving incidents described in subsection (A) giving the location by quarter-quarter section, township, and range; date and time of occurrence; specific nature and cause of the incident; resultant damage; action taken to correct the situation and prevent its reoccurrence; and losses of hydrocarbons or geothermal resources.

Historical Note

Former Rule 119; Former Section R12-7-120 renumbered and amended as Section R12-7-121, former Section R12-7-119 renumbered and amended as Section R12-7-120 effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-121. Well Completion and Filing Requirements

A. An operator shall file a completion report with the Commission within 30 days after a well is completed. The completion report shall contain a description of the well and lease, the casing, tubing, liner, perforation, stimulation, and cement squeeze records, and data on the initial production. The operator shall submit other well data to the Commission within 30 days of the date the work is done, including any:
1. Lithologic, mud, or wireline log;
2. Directional survey;
3. Core description and analysis;
4. Stratigraphic or faunal determination;
5. Formation or drill-stem test;
6. Formation fluid analysis; or
7. Other similar information or survey.

B. An operator shall furnish samples of drilled cuttings, at a maximum interval of 10 feet, to the Commission within 30 days after drilling is completed. The operator may furnish samples of continuous core in chips at 1-foot intervals. The operator shall:
1. Wash and dry all samples;
2. For each sample, place approximately 3 tablespoons of the sample in an envelope with the following identifying information: the well from which the sample originates, the location of the well, the Commission's permit number for the well, and the depth at which the sample is taken; and
3. Package sample envelopes in protective boxes and ship prepaid to:
   Oil & Gas Administrator
   Arizona Geological Survey
   416 West Congress, Suite 100
   Tucson, AZ 85701

C. The Commission shall keep all well information required by this Section confidential for 1 year after the drilling is completed unless the operator gives written permission to release the information at an earlier date. The Commission shall provide notice to the operator 60 days before confidential records become subject to public inspection and, at the operator's request, extend the confidential period for 6 months to 2 years if the Commission finds that the operator has demonstrated that release would harm the operator's competitive position with respect to unleased land in the vicinity of the well.

Historical Note

Former Rule 120; Former Section R12-7-121 renumbered and amended as Section R12-7-122, former Section R12-7-120 renumbered and amended as Section R12-7-121 effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1). Amended by final rulemaking at 6 A.A.R. 4827, effective December 7, 2000 (Supp. 00-4).

R12-7-122. Recompletion and Routine Maintenance Operations

A. After a well has been completed, it shall not be deepened, redrilled, plugged back, reworked, or recompleted in a different zone, without prior approval by the Commission of a written application showing the character of the proposed work and the time it will begin. The Commission shall notify the applicant in writing whether the proposed work is approved or disapproved.

B. In the case of an emergency, an application may be made by electronic communication, and the Commission may by electronic communication authorize the work; however, written application required in subsection (A) shall be filed with the Commission within 10 days after emergency authorization is given, even though the work has already been commenced or completed. The Commission shall confirm the emergency authorization in writing upon receipt of the written application.

C. Written approval from the Commission is not required on acidizing, fracturing, and reperforating, or other routine well operations designed to restore or maintain production.

D. Within 15 days following the completion of any work described in this Section, the operator shall file a written report with the Commission identifying the well and fully describing the work performed. If the well is recompleted, a completion report shall be filed as required by R12-7-121.

Historical Note

Former Section R12-7-121 renumbered and amended as Section R12-7-122 effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-123. Reserved

R12-7-124. Reserved

R12-7-125. Temporarily Abandoned and Shut-in Wells

A. If drilling, injection, or production operations at a well are suspended, or have been suspended for 60 days, an operator shall

plug the well under R12-7-127 unless the Commission permits the well to be temporarily abandoned or shut-in. The Commission shall not classify a well as shut-in until the operator submits a completion report under R12-7-121.

B. An operator may temporarily abandon or shut-in a well for up to 5 years if the operator demonstrates to a quorum of the Commission a future beneficial use of the well and submits a Sundry Notice to the Commission containing the following information:
1. Evidence of casing integrity as required in R12-7-112 including a complete description of the current casing, cementing, and perforation record of the well;
2. The stimulation and cement squeeze record and complete data on the results of any well tests performed to date; and
3. All other well data required in R12-7-121(A).

C. Before an approved time-frame for a temporarily abandoned or shut-in well expires, the operator shall return the well to beneficial use under a plan approved by the Commission, permanently plug and abandon the well, or apply for an extension to temporarily abandon or shut-in the well. If the integrity of the well casing is in question, the Commission may require the operator to:
1. Prove casing integrity in accordance with R12-7-112;
2. Plug any well that fails to meet the casing integrity required by R12-7-112; and
3. Re-test the well in accordance with R12-7-150 to continue shut-in status.

D. An operator shall ensure that no work begins on a temporarily abandoned or shut-in well until approved by the Commission. The operator shall give at least 24 hours' notice to the Commission before any work begins. Within 15 days of completing the proposed work, the operator shall file a written report with the Commission fully describing the work performed including a copy of all test rates, pressures, and fluid analyses.

Historical Note
Adopted effective January 2, 1996 (Supp. 96-1).
Amended by final rulemaking at 6 A.A.R. 4827, effective December 7, 2000 (Supp. 00-4).

R12-7-126. Application to Plug and Abandon

A. Before abandoning any well, the operator shall submit an application to plug and abandon to the Commission and obtain approval. The application shall set forth the name and location of the well, the mechanical condition of the well, the productive zone and latest production, and a complete description of the proposed work. The plan shall provide for the protection of all formations containing usable-quality water, oil, gas, or geothermal resources.

B. In the case of a drilling well or an emergency, the application may be made by electronic communication, and the Commission may by electronic communication authorize the work; however, the operator shall file a written application within 10 days after the emergency authorization is given even though the work has already been commenced or completed. The Commission shall confirm the emergency authorization in writing upon receipt of the written application.

Historical Note
Former Rule 201; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-127. Plugging Methods and Procedures

A. Before abandoning any well, the operator shall submit an application to plug and abandon to the Commission for approval as required in R12-7-126. All down-hole plugging shall be conducted through drill pipe or tubing, unless otherwise approved by the Commission.

B. Open hole
1. A cement plug shall be placed to extend at least 50 feet below the bottom, except as limited by total depth or plugged back total depth, to 50 feet above the top of any zone containing fluid with a potential to migrate, any zone of lost circulation, and any zone containing potentially valuable minerals, including noncommercial hydrocarbons, coal, and oil shale.
2. All freshwater zones shall be plugged with a continuous cement plug which shall extend from at least 50 feet below to at least 50 feet above the freshwater zone, or a 100-foot plug shall be centered across the base of the freshwater zone and a 100-foot plug shall be centered across the top of the freshwater zone.
3. Open hole below the shoe of cemented casing shall be plugged with cement which shall extend from at least 50 feet below to at least 50 feet above the shoe.

C. Cased hole
1. A cement plug shall be placed opposite all open perforations and extend to a minimum of 50 feet below, except as limited by total depth or plugged back total depth, to 50 feet above the perforated interval. In lieu of the cement plug, a bridge plug may be placed within 50 to 100 feet above the open perforations and followed by at least 50 feet of cement.
2. If any casing is cut and recovered, a cement plug shall be placed to extend at least 50 feet above and below the stub.
3. No annular space that extends to the surface shall be left open to the drilled hole below. If this condition exists, a minimum of the top 100 feet of each annulus shall be plugged with cement.

D. Plugging mud having the proper weight and consistency to prevent movement of other fluids into or within the bore hole shall be placed across all intervals not plugged with cement. In the absence of other information at the time plugging is approved, plugging mud shall be made up with a minimum of 15 pounds per barrel of sodium bentonite and a nonfermenting polymer, have a minimum consistency of 9 pounds per gallon, a minimum viscosity of 50 seconds per quart, and mixed with fresh water.

E. A cement surface plug of at least 50 feet shall be placed in the smallest casing which extends to the surface. The top of this plug shall be placed as near the eventual casing cut-off point as possible.

F. The abandoned well shall be marked by a piece of metal pipe not less than 4 inches in diameter securely set in cement and extending at least 4 feet above the general ground level. The well location and identity shall be permanently inscribed as required in R12-7-106(A). An abandoned well location on tilled or otherwise unique land shall be marked in a manner approved by the Commission.

G. The drill site of an abandoned well shall be restored as nearly as possible to its natural state, to the satisfaction of the Commission. All pits shall be filled and all equipment and debris shall be removed from the location.

H. The operator shall notify the Commission at least 48 hours before starting abandonment operations to allow a representative of the Commission to witness the operations required in this Section. To ensure the integrity or placement of any plug, the representative may order the plug to be tested.

I. Within 15 days after the plugging of any well, the operator shall file with the Commission a plugging record setting forth in detail the method used in plugging the well, including the casing record; the size, kind, and depth of plugs used; and the

name and depth interval of each formation containing fresh water, oil, gas, or geothermal resources.

J. Seismic shot holes
1. All seismic shot holes shall be plugged and abandoned within 30 days of firing.
2. Seismic shot holes which do not encounter freshwater zones shall be filled with a high-grade bentonite slurry or some other comparable plugging material as approved by the Commission.
3. Seismic shot holes which do encounter freshwater zones shall be plugged with cement in accordance with the applicable provisions of subsections (B) and (D).
4. Seismic shot-hole locations shall be restored in accordance with subsection (G) and the operator shall file a plugging record in accordance with subsection (I).

Historical Note
Former Rule 202; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-128. Stratigraphic, Core, and Seismic Holes

A. Any hole drilled for stratigraphic, core, or seismic purposes shall comply with all rules in this Chapter pertaining to the drilling of a well except the spacing provisions of R12-7-107.

B. Each hole drilled for stratigraphic, core, or seismic purposes shall be plugged in accordance with R12-7-126 and R12-7-127. The operator of a stratigraphic or core hole shall submit samples and cores and file a completion report in accordance with R12-7-121.

Historical Note
Former Rule 203; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-129. Wells to be Used as Water Wells

A. The landowner, landowner's agent, or lessee may use any well or exploratory hole as a water well provided that:
1. Written approval is obtained from the Arizona Department of Water Resources;
2. The operator plugs the well in accordance with R12-7-127 to a point immediately below the freshwater strata; and
3. The landowner, landowner's agent, or lessee assumes responsibility for the well and compliance with the provisions of A.R.S. Title 45, Chapter 2 in a signed and notarized water-well responsibility form provided by and filed with the Commission.

B. After filing the notarized water-well responsibility form with the Commission, the landowner, landowner's agent, or lessee shall comply with A.R.S. Title 45, Chapter 2 before modification or abandonment of the well.

C. Upon filing the notarized water-well responsibility form with the Commission, the Commission shall notify the bonding company and operator in writing so that the bond may be cancelled or made no longer effective with respect to that well.

Historical Note
Former Rule 204; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1). Amended by final rulemaking at 8 A.A.R. 3363, effective July 15, 2002 (Supp. 02-3).

R12-7-130. Reserved

R12-7-131. Reserved

R12-7-132. Reserved

R12-7-133. Reserved

R12-7-134. Reserved

R12-7-135. Gas-oil Ratio and Potential Tests

A. Each operator shall conduct a gas-oil ratio test between 5 and 15 days after the completion or recompletion of any well located in a pool which contains both oil and gas. The average daily oil production, the average daily gas production, and the average gas-oil ratio shall be recorded.

B. The results of the gas-oil ratio test shall be reported in writing to the Commission within 15 days after completion of the test.

C. Each operator shall conduct a potential test within 30 days following the completion or recompletion of any well for the production of oil. The results of this test shall be reported in writing to the Commission within 15 days after completion of the test.

Historical Note
Former Rule 301; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-136. Subsurface Pressure Tests and Reservoir Surveys

A. Each operator shall conduct a test, within 30 days after completion, to determine the reservoir pressure on the discovery well of any new pool. The test shall be made after the well has been shut-in for at least 24 hours, and the results shall be reported in writing to the Commission within 15 days after the completion of the test.

B. The Commission may require subsurface pressure measurements on a number of wells in any pool to provide data to determine reservoir characteristics. The survey shall be made by the operator and shall provide a description of the test method and results including fluids, temperature, and pressure data and may require supervision by a qualified agent of the Commission. The results shall be reported in writing to the Commission within 15 days of the completion of the survey.

Historical Note
Former Rule 302; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-137. Commingling of Production from Pools

A. Unless authorized by the Commission, each pool shall be produced as a single common reservoir, with the wells completed, cased, maintained, and operated as the producing media for that pool. Oil production from each pool shall at all times be segregated into separate, identified tanks. The commingling of production from different pools is prohibited, unless authorized by order of the Commission after notice and hearing.

B. The Commission may approve commingling of production upon demonstration by the applicant that such commingling shall not cause waste of reservoir energy or diminish recovery of the resource. Application for approval of commingling shall include the following:
1. Electric or porosity log with tops and bottoms of formations or producing zones and perforated intervals shown and marked;
2. Diagrammatic sketch of the proposed well structure, including make, type and setting depths of packers;
3. The reservoir pressure for each zone or formation pro posed for commingling, the specific gravity and BTU content of the gas if the zone produces gas, and the API gravity and gas-oil ratio of the oil if the zone produces oil;
4. Plat showing the location of the well and all offset wells, and a list of the names and addresses of operators of all leases offsetting the acreage dedicated to the applicant's well;

5. Waiver consenting to the proposed commingling from each offset operator, or in lieu thereof, copies of letters requesting such waiver; and
6. Proof of mailing of notice of application for commingling to all offset operators.

C. The first application for commingling of pools in a field shall be approved by the Commission only after notice and hearing. Subsequent applications, completed as required in subsection (B), for commingling of the same zones in the same field may be approved administratively if, after a 15-day holding period, there are no protests from offsetting operators.

Historical Note
Former Rule 303; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-138. Casinghead Gas

A. All casinghead gas produced and sold or transported away from a lease, except amounts of flare gas, shall be metered and reported monthly in writing to the Commission in standard Mcf and gallons of liquids per Mcf. If the casinghead gas is sold as supply stock for a gasoline plant, the gallons of liquids per Mcf shall be reported. The operator of a lease shall not be required to measure the exact amount of casinghead gas produced and used for fuel purposes in the development and normal operation of the lease.

B. Pending arrangements for disposition of some useful purpose, all casinghead gas that is authorized to be vented shall be burned, and the estimated volume reported monthly as required by R12-7-161.

Historical Note
Former Rule 304; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-139. Use of Vacuum Pumps

A. The use of any device for the purpose of putting a vacuum on any stratum containing oil, gas, or geothermal resources is prohibited unless authorized by the Commission.

B. The Commission may, after notice and hearing, authorize the use of vacuum pumps if the applicant can show that use of the vacuum will not create waste or infringe on correlative rights.

Historical Note
Former Rule 305. Amended effective February 23, 1993 (Supp. 93-1).

R12-7-140. Pollution, Surface Damage, and Noise Abatement

A. An operator of a well, production facility, gasoline plant, gas plant, or pipeline shall conduct operations in a manner that prevents surface or subsurface pollution.

B. An operator shall conduct operations in a manner that prevents oil, gas, salt water, fracturing fluid or any other substance from polluting any surface or subsurface waters.

C. During swabbing and bailing operations or when purging a well, all substances removed from the bore hole shall be placed in a pit or tank and shall not be allowed to pollute any surface or subsurface waters.

D. An operator shall maintain all wellhead connections, surface equipment, lease flow lines, and tank batteries at all times to prevent the escape of oil, gas, produced water, or any other substance.

E. An operator shall report any fire, leak, or blowout to the Commission in accordance with R12-7-120. An operator shall ensure that any pit is constructed and operated in accordance with R12-7-108.

F. An operator shall minimize noise when conducting air drilling operations or when the well is allowed to produce while drilling. An operator shall ensure that the welfare of the operating personnel and the public is not negatively affected by the noise created by the expanding gases.

Historical Note
Former Rule 306. Amended effective February 23, 1993 (Supp. 93-1). Amended by final rulemaking at 8 A.A.R. 3363, effective July 15, 2002 (Supp. 02-3).

R12-7-141. Renumbered

Historical Note
Former Rule 307; Language transferred and amended, see Section R12-7-176 (Supp. 82-5).

R12-7-142. Measurement of Oil

Oil or condensate shall not be transported from a lease until it has been measured. Each transporter shall file a monthly report of the amount of oil or condensate transported from the lease as required by R12-7-185.

Historical Note
Former Rule 308; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-143. Oil Tanks, Fire Walls, and Fire Hazards

A. Oil shall not be stored or retained in an earthen reservoir or an open receptacle. The Commission may require dikes or fire walls to protect life, health, or property. All dikes or fire walls shall be erected and continuously maintained around all permanent oil tanks or batteries that are within the corporate limits of any city, town or village, or where such tanks are closer than 150 feet to any highway or inhabited dwelling, or closer than 1,000 feet to any school or church. The capacity of the dike or firewall shall be 1 1/2 times the capacity of the tank or tanks that it surrounds. The reservoir so formed within the dike shall be kept free from vegetation, water and oil.

B. Anything that might constitute a fire hazard, including potentially flammable items and reckless behavior such as smoking, shall be moved at least 150 feet from the well, tanks, separator, or other equipment.

Historical Note
Former Rule 309. Amended effective February 23, 1993 (Supp. 93-1).

R12-7-144. Reserved

R12-7-145. Reserved

R12-7-146. Reserved

R12-7-147. Reserved

R12-7-148. Reserved

R12-7-149. Reserved

R12-7-150. Capacity Tests of Gas Wells and Geothermal Wells

A. The operator of a producing gas well shall determine its open-flow capacity within 30 days following completion. Additional tests shall be taken as requested by the Commission. When a pipeline connection is available, gas wells shall not be tested by open-flow method, but the open-flow capacity shall be determined by the multipoint or single-point back-pressure test method.

B. The Commission may require tests to determine the quantity and quality of geothermal resources or reservoir energy.

C. The results of the tests required in this Section shall be reported in writing to the Commission within 15 days after the completion of the test.

Historical Note
Former Rule 401; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-151. Measurement of Gas from Gas Wells and Geothermal Resources

A. All gas produced for whatever purpose in gaseous form from gas wells shall be accounted for by metering as approved by the Commission. If the gas is sold, the purchaser shall report the volume purchased as required by R12-7-186. If the gas is delivered to a transportation facility, the transporter shall report the volume transported as required by R12-7-185. The operator shall report the volume produced as required by R12-7-161.

B. Each operator of a geothermal lease shall measure the quantity and quality of all production in accordance with the standard practices, procedures, and specifications generally used in the industry. The operator shall report the production as required in R12-7-161 and the purchaser shall file a report as required in R12-7-186.

Historical Note
Former Rule 402; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-152. Utilization of Gas

A. No gas from any completed gas well shall be:
1. Permitted to escape into the air except for testing when no pipeline connection is available.
2. Used expansively in engines or pumps and then vented, or
3. Used to gas-lift in oil wells unless all gas produced from such gas-lift operations is processed in a gasoline plant, and the residue gas is used in the manufacture of carbon black or for some other profitable use.

B. Utilization of gas in the manufacture of carbon black may be made only if approved by the Commission, after notice and hearing, based on a finding that a more profitable use is not available or will not be available in a reasonable time.

Historical Note
Former Rule 403. Amended effective February 23, 1993 (Supp. 93-1).

R12-7-153. Non-hydrocarbon Gas

The rules of this Chapter shall also apply to helium, carbon dioxide, and any other non-hydrocarbon gas.

Historical Note
Former Rule 404. Amended effective February 23, 1993 (Supp. 93-1).

R12-7-154. Reserved

R12-7-155. Reserved

R12-7-156. Reserved

R12-7-157. Reserved

R12-7-158. Reserved

R12-7-159. Reserved

R12-7-160. Regulation of Production

If the Commission determines that oil, gas, or geothermal resources production in the state is causing waste, the Commission shall limit, allocate, and apportion the total amount of oil, gas, or geothermal resources which may be produced.

Historical Note
Former Rule 501; Amended effective September 29, 1982. See also Section R12-7-170 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-161. Producer's Monthly Report

A. Each operator shall file a producer's monthly report for each producing lease for each calendar month, setting forth the operator's name, each well's lease name or number, well number, state permit number, the actual amounts of oil, gas, water, or geothermal resources produced, the number of days each well produced, and the disposition of the produced oil, gas, water, or geothermal resources. The report shall be filed on or before the 25th day of the next succeeding month.

B. If a well is off production for a period exceeding 30 days, the Commission shall be notified in writing with the reasons given.

Historical Note
Former Rule 502; Amended effective September 29, 1982. See also Section R12-7-171 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-162. Reserved

R12-7-163. Reserved

R12-7-164. Reserved

R12-7-165. Reserved

R12-7-166. Reserved

R12-7-167. Reserved

R12-7-168. Reserved

R12-7-169. Reserved

R12-7-170. Renumbered

Historical Note
Former Rule 601; Language transferred and amended, see Section R12-7-160 (Supp. 82-5).

R12-7-171. Renumbered

Historical Note
Former Rule 602; Language transferred and amended, see Section R12-7-161 (Supp. 82-5).

R12-7-172. Reserved

R12-7-173. Reserved

R12-7-174. Reserved

R12-7-175. Injection Wells Including Enhanced Recovery, Disposal, and Storage Wells

A. The following injection wells used for enhanced recovery, disposal, or storage shall require a permit from the Commission:
1. Class II injection wells
   a. Saltwater disposal wells: wells used to return salt water associated with oil and gas production to the subsurface.
   b. Enhanced oil recovery wells: wells used to inject salt water, gases, enhanced waters, and steam in order to maintain and extend oil production;
   c. Hydrocarbon storage wells: wells used for the underground storage of crude oil, liquified petroleum gas (LPG), and other liquid hydrocarbon products in naturally occurring rock formations.
2. Other injection wells

a. Geothermal injection wells: Class V wells used to reinject groundwater or geothermal fluids that are used in or are associated with the production of geothermal energy;
b. Other wells: wells used for the underground storage of any hydrocarbons or nonhydrocarbons that are gaseous at standard temperature and pressure, wells used to dissolve salt to create a cavity to be used for underground storage, and wells used to dispose of brine produced in the course of creating a solution-mined salt cavity.

B. In addition to being subject to the applicable provisions of this Chapter, the wells listed in subsection (A) shall be subject to the following specific regulation:
1. Injection wells listed in subsections (A)(1)(a) and (b) and (A)(2)(a) shall be regulated by R12-7-176, R12-7-178, and R12-7-179.
2. Injection wells listed in subsections (A)(1)(c) and (A)(2)(b) shall be regulated by R12-7-176, R12-7-178, R12-7-179, R12-7-180, R12-7-181, and R12-7-182.

C. No permits for injection wells other than those described in this Section shall be issued by the Commission.

Historical Note
Adopted effective January 2, 1996 (Supp. 96-1).

R12-7-176. Permits for Injection Wells

A. The injection of any substance into any geologic formation is prohibited unless 1st authorized by the Commission after notice and hearing. The Commission shall give at least 15 days' notice before a hearing is held for drilling a new injection well or for converting an existing well into an injection well. A permit shall not be required for routine well operations pursuant to R12-7-122(C) whose physical effects are confined to the area near the well bore.

B. The application for a permit for an injection well as defined in R12-7-175 shall be prepared in accordance with R12-7-104, shall meet all the applicable requirements of this Chapter, and shall contain the following requirements, where applicable:
1. A plat showing the location of each proposed injection well and the location and status of all wells, including drilling wells and dry holes, within 1/2 mile of the proposed well. The plat shall include the lease boundary lines, the names of the surface and subsurface lessees and owners within 1/2 mile of the injection well or wells, and the name of each offset operator.
2. A geologic study, including:
   a. A contour map drawn on a geologic marker at or near the top of each injection zone in the project area;
   b. A thickness map of each injection zone in the project area;
   c. A geologic cross-section drawn through the site of an injection well in the project area showing structural details, any wells that may be affected by the project, and the location of the base of any freshwater strata, defined as water having 10,000 ppm or less of total dissolved solids, or a statement that no fresh water exists; and
   d. A representative electric log to a depth below the deepest producing zone identifying all geologic units including the injection and confining zones, freshwater aquifers, and oil, gas, or geothermal zones.
3. An engineering study, including:
   a. A statement of the primary purpose of the project;
   b. The characteristics of the injection and confining zones including porosity, permeability, thickness, areal extent, fracture gradient, original and present temperature and pressure, and residual oil, gas, and water saturations;
   c. The reservoir fluid data for each injection zone including oil gravity and viscosity, water quality, and specific gravity of gas;
   d. A description of each injection well's casing, or the proposed casing and cementing program, and the proposed method of testing the casing before use of the injection well. The casing shall be designed and tested in accordance with R12-7-181(C) with respect to the injection zone;
   e. A diagram of the proposed wellhead;
   f. A casing diagram, including cement plugs, and the actual or calculated cement fill behind the casing of all wells within the area affected by the project, including abandoned wells, showing that they will not cause damage to life, health, property, or natural resources;
   g. The well stimulation program if stimulation is planned; and
   h. The planned well-drilling and abandonment program to complete the project, including a flood-pattern map showing all injection, production, and abandoned wells, and unit boundaries.
4. An injection plan, including:
   a. A diagram and plan of the injection facilities;
   b. The maximum surface injection pressure expected during the life of the project and the estimated daily rate of fluid injection, by well. The operator shall provide calculations showing that the maximum injection pressure will not initiate fractures in the confining zone;
   c. A description of the area affected by the volumetric method and by the pressure-buildup method and the radius affected during the life of the project;
   d. The monitoring system or method to be used to ensure that no damage is occurring and that the injection fluid is confined to the permitted injection zone and to the area controlled by the operator;
   e. The method of injection such as casing, tubing, tubing with packer, between strings;
   f. The protective methods to be used on each injection line and well and a contingency plan for well failure or a shut-in period, including a plan for disposition of fluids not injected as a consequence of well failure;
   g. The source and chemical analysis of the injection fluid, and chemical analysis of the water in the injection zone. If the water in the injection zone has 10,000 ppm or less of total dissolved solids, the applicant shall provide evidence of commercial oil or gas producibility of the zone by means of historical production in the field or by log information, core data, and values for the porosity and permeability of the zone; and
   h. The location and depth of each water-source well that will be used in conjunction with the project.
5. Proof of notification to neighboring operators and surface owners within 1/2 mile of the proposed well.
6. Supplementary data as required in R12-7-180 for storage-well projects.
7. Any additional information that the Commission may determine is necessary to adequately clarify the informa-

tion submitted pursuant to R12-7-176(B)(1) through (B)(6).

8. All maps, diagrams, and exhibits required in this subsection shall be clearly labeled as to scale and purpose and shall clearly identify wells, boundaries, zones, contacts, and other relevant data.

C. Permits may be issued for a period up to the operating life of the well with review once every 5 years. Permits may be modified or terminated during their term if the Commission determines that the operator is not in compliance with the requirements of this Chapter.

Historical Note
Former Rule 701; Amended effective September 29, 1982. See also Section R12-7-141 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-177. Repealed

Historical Note
Former Rule 702; Amended effective September 29, 1982 (Supp. 82-5). Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-178. Notice of Commencement, Discontinuance, and Transfer of Injection Operations

The following provisions apply to all injection projects defined in R12-7-175:

1. The operator shall notify the Commission of the date that injection operations will begin.
2. The operator shall notify the Commission of the date that injection operations will cease and provide the reasons for discontinuing the injection operations.
   a. The temporary abandonment of any injection well shall be in accordance with R12-7-125. Temporarily abandoned injection wells shall meet the testing requirements of R12-7-179(D).
   b. All injection wells shall be plugged and abandoned, in accordance with R12-7-126 and R12-7-127.
3. An injection well shall not be transferred from 1 operator to another without the written approval of the Commission.
   a. The operator shall file the request for transfer of ownership of an injection well in triplicate with the Commission at least 45 days before the proposed transfer date. The request shall include the name, address, and telephone number of the proposed new operator and provide the location and status of each well involved.
   b. The proposed new operator shall file with the Commission an organization report as required in R12-7-194 and bond as required in R12-7-103 before the request for transfer will be considered.
   c. The Commission shall return 1 copy of the request for transfer to the operator and 1 to the proposed new operator within 30 days after receipt of the information required in subsections (3)(a) and (b), designating approval or denial of the transfer of authority to inject for the subject well.
      i. If the proposed transfer is approved, a copy of the order authorizing injection shall be attached to the approved request for transfer.
      ii. If the proposed transfer is denied, the Commission shall return 1 copy of the request to the operator and 1 copy to the proposed operator together with the reasons for the denial and the steps necessary for its approval.

Historical Note
Former Rule 703; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-2).

R12-7-179. Testing and Monitoring of Injection Wells

A. The operator of an injection well shall file a weekly sundry report with the Commission on all drilling, completion, recompletion, and workover operations.

B. The operator of an injection well shall monitor operations to ensure that injection pressure at the wellhead does not exceed the maximum pressure authorized in the permit, and that no injection shall cause movement of injection or formation fluids into an underground source of drinking water.

C. The operator shall keep accurate records of the amount of oil, gas, water, or geothermal resources produced, the volume of substances injected, the average and maximum pressure used for injection, and the nature of the injected fluid. The operator of an enhanced recovery or disposal well shall submit a report as required in R12-7-187. The operator of a storage well shall submit a report as required in R12-7-185.

D. The operator shall run the following pressure or monitoring tests on new injection wells to establish the mechanical integrity of the tubing, casing, and packer. Existing wells being converted to an injection well shall be tested in the same manner and shall maintain the same mechanical integrity as a new well.

1. The casing-tubing annulus above the packer shall be tested upon completion and at least once every 5 years, under the supervision of the Commission, at a pressure equal to the lesser of the maximum authorized injection pressure or 1,000 psi, provided that no testing pressure shall be less than 300 psi. Documentation of the test shall be submitted to the Commission. Test pressures shall be applied for a period of 30 minutes. If a drop of more than 10% of the test pressure should occur, corrective measures shall be applied. If the tubing, casing, or packer cannot be brought up to standard, the well shall be plugged and abandoned in accordance with R12-7-126 and R12-7-127.
2. The Commission may require the operator to run a tracer survey, a temperature log, or a noise log to demonstrate the absence of fluid movement in vertical channels adjacent to the injection well.

E. Mechanical failure or downhole problems which indicate an injection well is not, or may not be, directing the injected fluid into the permitted injection zone may be cause to shut in the well. The operator shall notify the Commission within 24 hours of any such failure or problem. A written notice shall be filed within 5 days of the occurrence, with a plan for testing and repairing the well. If the well cannot be brought up to the standard required in subsection (D), it shall be plugged and abandoned in accordance with R12-7-126 and R12-7-127.

Historical Note
Former Rule 704; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-180. Supplementary Requirements for Storage Wells

The application for a storage well as defined in R12-7-175(B)(2) shall be prepared in accordance with R12-7-176 and shall contain the following, where applicable:

1. Information on any oil or gas production within 5 miles of each proposed well;
2. Information on the oil and gas reserves of each storage zone before starting injection, including calculations;

3. A comprehensive plan for disposition of brine and salt produced in the course of creating a solution-mined salt cavity. Cavities shall be designed and constructed in accordance with R12-7-181;
   a. Surface disposition shall be subject to the rules of the Department of Water Resources and the Department of Environmental Quality;
   b. Saltwater disposal wells shall be permitted in accordance with R12-7-176;
   c. Surface brine reservoirs used in the operation of the storage system and disposal reservoirs shall be designed to prevent the contamination of air, fresh water, and soil;
4. A list of proposed surface and subsurface safety devices, tests, and precautions to be taken to ensure safety of the project. The operator shall install a flare or other safety system acceptable to the Commission at or near each brine pit or any other location where escape of gases is likely to occur.

Historical Note
Former Rule 705; Amended effective September 29, 1982 (Supp. 82-5). Amended effective January 2, 1996 (Supp. 96-1).

R12-7-181. Design and Construction of Storage Wells and Cavities

A. Before drilling a storage well for storing liquid or gaseous hydrocarbons, or any other substances under the jurisdiction of the Commission, in an underground cavity, the applicant shall demonstrate to the Commission that the proposed storage will preserve the structural integrity of the host rock, including halite, and the overlying sediments. The evidence presented shall include:
   1. An investigation to determine the feasibility of a storage system at the particular site; and
   2. An assessment of the stability of each proposed cavity design, particularly with regard to the size, shape and depth of the storage cavity, the amount of separation between storage cavities, and the amount of separation between the storage cavity and the periphery of the host rock.

B. The design of a solution-mined storage system shall be based on site-specific geologic and engineering parameters including type of storage use, location of each cavity, number of cavities, cavity capacity, and maximum development diameter of each cavity. The design shall ensure that project development can be conducted in a reasonable, prudent, and systematic manner and shall stress physical and environmental safety and the prevention of waste. The design and solution mining shall be continually reviewed throughout the construction phase to account for any new subsurface information and shall include provisions for protection from damage caused by hydraulic shock. The original development and operational plans shall be modified, as necessary, to conform with good engineering practice. The design shall incorporate the standards outlined below:
   1. The minimum separation between the nearest outer walls of adjacent storage cavities as measured in any direction shall be established considering:
      a. The properties of the host rock;
      b. The elevation of the top and bottom of the adjacent cavities;
      c. Their maximum development diameter relative to the spacing of the cavities; and
      d. Other considerations deemed appropriate for the specific site; however, in no case shall such separation at any time during the storage project be less than 200 feet.
   2. The walls of a storage cavity shall be no less than 200 feet from the boundary of the lands included in the storage project on which the chambers are located.
   3. If the design involves the intentional subsurface connection between 2 adjacent storage cavities under 1 property (that is, a "U"-tube storage-cavity system), the minimum separation between cavities specified in subsection (B)(1)(d) shall not apply.

C. The borehole shall be dually cased from the surface into the cavity in accordance with R12-7-110 and R12-7-111. At least 2 strings of casing shall be fully cemented from the surface into the host rock either during the primary cement job or by remedial action. The Commission may administratively grant an exception to the requirement for 2 strings of cemented casing if the applicant can show that the exception is reasonable, justified by site-specific geologic or engineering parameters, is no less stringent, and consistent with the intent of these rules regarding physical and environmental safety, conservation of the resource, and the prevention of waste.
   1. The final cemented casing string shall have tensile and collapse strengths, as approved by the Commission, for the setting depth and shall be set a minimum of 200 feet into the formation to be used for the storage cavity.
   2. The casing seat of the final cemented casing string shall be pressure-tested after drilling at least 10 feet into the formation below the casing seat. The test pressure calculated at the casing seat shall equal the proposed maximum operating pressure at that point and shall not exceed 0.9 psi per foot of depth.
   3. After the wellhead has been installed and before products are stored, the system shall be pressure-tested as a unit.
   4. All tests required in this subsection shall meet the integrity standards set in R12-7-179(D).

D. Storage facilities in existence prior to June 1, 1978, shall not be required to meet the planning and construction requirements of subsections (B) and (C), except for future expansions or additions.

Historical Note
Adopted effective August 31, 1978 (Supp. 78-4). Amended effective September 29, 1982 (Supp. 82-5). Amended (and subsections (A)(1)(h) through (m) moved to Section R12-7-182) effective January 2, 1996 (Supp. 96-1)

R12-7-182. Operation, Inspection, and Closure of Storage-well Systems

A. The maximum and minimum operating pressures of a storage system shall be determined in consideration of the lithologic characteristics of the host rock. The maximum operating pressure at the shallower of the casing seat or cavity ceiling shall not exceed 0.9 psi per foot of depth.
   1. The storage system shall not be subjected to pressures exceeding the maximum operating pressure even for short periods of time, including pressure pulsation peaks and abnormal operating conditions.
   2. The wellhead, flowlines, valves, and all related connections shall have a test pressure rating equivalent to 125% of the maximum pressure which could be exerted at the surface. All valves shall be periodically inspected and maintained in good working order.
   3. The wellhead and storage system shall be protected with safety devices to prevent pressures exceeding the maximum operating pressure from being exerted on the stor-

age system and to prevent backflow of stored products in the event of flowline rupture.

4. Personnel shall be at either the well or other control sites for the well during injection or withdrawal from any storage well.

B. The flare, as required in R12-7-180(4), shall be burned continuously when a liquified gas or other flammable substance is being injected into a cavern.

C. Each operator of a storage well shall conduct semiannual safety inspections of the operator's facility and file with the Commission a written report on the inspection procedures and results within 5 days following the inspection. The operator shall notify the Commission at least 5 days before an inspection to allow a representative of the Commission to witness the inspection. Inspections shall include, the following:

1. Operation of all manual valves;
2. Operation of all automatic shut-in safety valves, including sounding or alarm devices;
3. Examination of flare system or other safety system installation;
4. Examination of earthen brine pits, tanks, firewalls, and related equipment;
5. Examination of flowlines, manifolds, and related equipment;
6. Examination of warning signs and safety fences;
7. Examination of housekeeping practices including the removal of weeds, used equipment, and debris from the area of operations;
8. The Commission may require additional inspections at any time during regular working hours and upon reasonable notice to the operator.

D. A capacity determination for each storage cavity shall be made and filed with the Commission upon completion of the storage cavity. These determinations shall be verified at least once every 5 years.

E. Safety precaution signs shall be displayed and unauthorized personnel kept out of the storage area. Each storage wellhead shall be visibly marked in accordance with R12-7-106(D). Guard rails shall be installed where the Commission determines it is necessary to ensure safety.

F. Storage wells shall be plugged and abandoned in accordance with R12-7-126 and R12-7-127.

G. If the Commission determines that the continued operation of a storage well or associated facilities, including valves, brine tanks or pits, flares, dehydrators, and loading and docking facilities, would cause unsafe operating conditions, waste, pollution, or contamination of air, fresh water, or soil, or encroachment on adjacent property, the Commission shall order discontinuance of operations of the storage facility or any part thereof until the Commission determines that the project can and will be conducted in a physically and environmentally safe manner.

H. The operator shall notify the Commission within 24 hours of every accident or equipment malfunction which causes loss of life or requires hospitalization of personnel; threatens the public health and safety; pollutes the air, soil, or fresh water; or causes loss of the stored substance. A final written report shall be filed with the Commission in accordance with R12-7-120(B).

I. The Commission may administratively grant exceptions to the guidelines and requirements of this Section if the applicant can show that the exception is reasonable, justified by site-specific geologic or engineering parameters, are no less stringent, and consistent with the intent of these rules regarding physical and environmental safety, conservation of the resource, and the prevention of waste. An applicant may request a hearing pursuant to A.R.S. § 27-517.

Historical Note

Adopted by moving subsections (A)(1)(h) through (m) of R12-7-181 and amending the text effective January 2, 1996 (Supp. 96-1).

R12-7-183. Certificate of Compliance and Authorization to Transport

A. Each producer or operator of any well shall execute under oath and file with the Commission an operator's certificate of compliance and authorization to transport oil, gas, or geothermal resources from lease provided by the Commission for each well.

B. The certificate, when properly executed and approved by the Commission, shall constitute authorization to the pipeline or other transporter to transport oil, gas or geothermal resources from the developed unit named. The Commission may provide written permission for the transportation of production in order to prevent waste, pending execution and approval of the certificate.

C. The certificate shall remain in full force and effect until:

1. The operating ownership of the developed unit changes, or
2. The transporter changes, or
3. The certificate is cancelled by the Commission.

D. When a change occurs in operating ownership of any developed unit, or when a change occurs in the transporter from any developed unit, the operator shall file a new certificate with the Commission within 10 days of the change. With respect to a temporary change in transporter which involves less than the production of one month, the producer may, in lieu of filing a new certificate, notify the Commission and the transporter in writing of the estimated amount of oil, gas, or geothermal resources to be moved by the temporary transporter, and the name of the temporary transporter. The operator shall furnish a copy of the notice to the temporary transporter.

E. The temporary transporter shall not move any greater quantity of oil, gas, or geothermal resources than the estimated amount shown in the notice.

F. Time-frames

1. The Commission shall mail to the producer or operator, within 10 days of receipt of the certificate required in subsection (A), written notice of administrative completeness or a detailed list of deficiencies. Within 10 days of receipt of an administratively complete certificate, the Commission shall approve the certificate or provide a written explanation in compliance with A.R.S. § 41-1076 to the producer or operator if the certificate is not approved. The overall time-frame is 20 days.
2. For the purpose of this subsection, intermediate Saturdays, Sundays, and legal holidays are not included in the time-frame computation.

Historical Note

Former Rule 801; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1). Amended effective June 6, 1997 (Supp. 97-2).

R12-7-184. Recovered Load Oil

Recovered load oil may be run from a lease on which it is recovered only upon approval by the Commission of a certificate for load oil credit and permit to transport recovered load oil showing the source and amount of the load oil. Upon approval, the Commission shall forward one copy to the designated transporter as authority to trans-

port the oil. This rule applies only to oil obtained from a source other than the lease on which it is used.

Historical Note
Former Rule 802; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-185. Transporter's and Storer's Monthly Report

A. Each transporter of oil and condensate shall furnish for each calendar month a report containing information and data respecting stocks of oil and condensate on hand and all movements within the state of oil and condensate by pipeline, trucks, or other conveyances except railroad, from leases to storers or refiners; movements between transporters within the state; movements between storers within the state; movements between refiners within the state; and movements between storers and refiners within the state.

B. Each storer of oil and condensate shall furnish for each calendar month a report containing information and data respecting the storage of oil and condensate within the state.

C. Each storer of natural gas, liquified petroleum gas, or other hydrocarbon or nonhydrocarbon gases in storage wells shall furnish for each calendar month a report containing information and data respecting the storage, including receipts and deliveries, of such products within the state.

D. Transporters and storers shall file reports required in this Section with the Commission on or before the 25th day of the next succeeding month.

Historical Note
Former Rule 803; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-186. Gas or Geothermal Purchaser's Monthly Report

A. Each purchaser or taker of gas in gaseous form or geothermal resources from any well, lease, pool or proration unit shall file for each calendar month a report detailing acquisition and disposition of all gas in gaseous form or geothermal resources purchased or taken during that month.

B. Purchasers and takers shall file reports required in this Section with the Commission on or before the 25th day of the next succeeding month.

Historical Note
Former Rule 804; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-187. Injection Project Report

A. Each operator of an injection project shall furnish for each injection well for each calendar month a report of injection project containing information and data including the lease and well number, the well's state permit number, average injection pressure during the month, amount of fluid in barrels injected during the month, the total amount of fluid injected to date, the source of the injected fluid, and the number of days the injection well was operated during the month.

B. Operators of injection projects shall file reports required in this Section with the Commission on or before the 25th day of the next succeeding month.

Historical Note
Adopted effective February 23, 1993 (Supp. 93-1).

R12-7-188. Refinery Reports

A. Each refiner of oil or condensate shall furnish for each calendar month a refinery monthly report containing information and data respecting oil, condensate and products involved in the refiner's operations during each month.

B. Refiners shall file reports required in this Section with the Commission on or before the 25th day of the next succeeding month.

Historical Note
Former Rule 901; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-189. Repealed

Historical Note
Former Rule 902; Amended effective September 29, 1982 (Supp. 82-5). Repealed effective February 23, 1993 (Supp. 93-1).

R12-7-190. Gasoline Plant Reports

A. Each operator of a gasoline plant, cycling plant, or any other plant at which gasoline, butane, propane, condensate, kerosene, oil or other liquid products are extracted from gas shall furnish for each calendar month a gasoline plant or pressure maintenance plant monthly report containing information and data respecting gas and products involved in the operation of each plant during each month.

B. Operators shall file reports required by this Section with the Commission on or before the 25th day of the next succeeding month.

Historical Note
Former Rule 903; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-191. Reserved

R12-7-192. Books and Records to Substantiate Reports

A. Each operator, producer, transporter, storer, refiner, processor, gasoline or extraction or geothermal generating plant operator, and initial purchaser of oil, gas, or geothermal resources shall make and keep books and records covering operations in Arizona, from which are made and which will substantiate all reports required by the Commission.

B. Books and records required in this Section shall be available for inspection by the Commission for at least a six-year period.

Historical Note
Former Rule 1001; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1).

R12-7-193. Repealed

Historical Note
Former Rule 1002. Amended effective February 23, 1993 (Supp. 93-1). Repealed effective September 22, 1993 (Supp. 93-3).

R12-7-194. Organization Reports

A. Before any person shall engage in any activity covered by this Chapter, that person shall file with the Commission an organization report that includes a statement under oath giving the following information:

1. The name under which the business is being operated or conducted;
2. The name and post office address of the person and the business or businesses engaged in;
3. The plan or organization, and, if a reorganization, the name and address of the previous organization;
4. The state where incorporated, if a foreign corporation, and the name and post office address of the Arizona

agent, together with the date of permit to do business in Arizona; and

5. The names and addresses of the principal officers or partners and the names and addresses of the directors.

B. When a change occurs, as to facts stated in the report filed, a new organization report shall be filed with the Commission within ten days of the change.

Historical Note
Former Rule 1003. Amended effective February 23, 1993 (Supp. 93-1).

R12-7-195. Repealed

Historical Note
Former Rule 1004; Amended effective September 29, 1982 (Supp. 82-5). Amended effective February 23, 1993 (Supp. 93-1). Repealed effective September 22, 1993 (Supp. 93-3).

Appendix 1. Repealed

Historical Note
(For the convenience of the operator, the forms and reports in common use by the United States Geological Survey, and for the purpose for which each form was designed, may be submitted in lieu of similar Commission forms. Commission forms No. 1, 2, 3, 4, and 27 must be used for their designated purpose and no substitutes will be acceptable.) Repealed effective January 2, 1996 (Supp. 96-1).

ARTICLE 2. REPEALED

R12-7-201. Repealed

Historical Note
Former A. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-202. Repealed

Historical Note
Former B. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-203. Repealed

Historical Note
Former Rule G-101. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-204. Repealed

Historical Note
Former Rule G-102. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-205. Repealed

Historical Note
Former Rule G-103. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-206. Repealed

Historical Note
Former Rule G-104. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-207. Repealed

Historical Note
Former Rule G-105. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-208. Repealed

Historical Note
Former Rule G-106. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-209. Repealed

Historical Note
Former Rule G-107. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-210. Repealed

Historical Note
Former Rule G-108. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-211. Repealed

Historical Note
Former Rule G-109. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-212. Repealed

Historical Note
Former Rule G-110. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-213. Repealed

Historical Note
Former Rule G-111. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-214. Repealed

Historical Note
Former Rule G-112. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-215. Repealed

Historical Note
Former Rule G-113. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-216. Repealed

Historical Note
Former Rule G-114. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-217. Repealed

Historical Note
Former Rule G-115. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-218. Repealed

Historical Note
Former Rule G-116. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-219. Repealed

Historical Note
Former Rule G-117. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-220. Repealed

Historical Note
Former Rule G-118. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-221. Repealed

Historical Note
Former Rule G-119. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-222. Reserved

R12-7-223. Reserved

R12-7-224. Reserved

R12-7-225. Reserved

R12-7-226. Reserved

R12-7-227. Reserved

R12-7-228. Reserved

R12-7-229. Reserved

R12-7-230. Reserved

R12-7-231. Repealed

Historical Note
Former Rule G-201. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-232. Repealed

Historical Note
Former Rule G-202. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-233. Repealed

Historical Note
Former Rule G-203. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-234. Repealed

Historical Note
Former Rule G-204. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-235. Reserved

R12-7-236. Reserved

R12-7-237. Reserved

R12-7-238. Reserved

R12-7-239. Reserved

R12-7-240. Reserved

R12-7-241. Repealed

Historical Note
Former Rule G-301. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-242. Repealed

Historical Note
Former Rule G-302. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-243. Repealed

Historical Note
Former Rule G-303. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-244. Repealed

Historical Note
Former Rule G-304. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-245. Repealed

Historical Note
Former Rule G-305. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-246. Repealed

Historical Note
Former Rule G-306. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-247. Reserved

R12-7-248. Reserved

R12-7-249. Reserved

R12-7-250. Reserved

R12-7-251. Repealed

Historical Note
Former Rule G-401. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-252. Repealed

Historical Note
Former Rule G-402. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-253. Reserved

R12-7-254. Reserved

R12-7-255. Reserved

R12-7-256. Reserved

R12-7-257. Reserved

R12-7-258. Reserved

R12-7-259. Reserved

R12-7-260. Reserved

R12-7-261. Repealed

Historical Note
Former Rule G-501. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-262. Repealed

Historical Note
Former Rule G-502. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-263. Repealed

Historical Note
Former Rule G-503. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-264. Repealed

Historical Note
Former Rule G-504. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-265. Reserved

R12-7-266. Reserved

R12-7-267. Reserved

R12-7-268. Reserved

R12-7-269. Reserved

R12-7-270. Reserved

R12-7-271. Repealed

Historical Note
Former Rule G-601. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-272. Repealed

Historical Note
Former Rule G-602. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-273. Reserved

R12-7-274. Reserved

R12-7-275. Reserved

R12-7-276. Reserved

R12-7-277. Reserved

R12-7-278. Reserved

R12-7-279. Reserved

R12-7-280. Reserved

R12-7-281. Repealed

Historical Note
Former Rule G-701. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-282. Reserved

R12-7-283. Reserved

R12-7-284. Reserved

R12-7-285. Reserved

R12-7-286. Reserved

R12-7-287. Reserved

R12-7-288. Reserved

R12-7-289. Reserved

R12-7-290. Reserved

R12-7-291. Repealed

Historical Note
Former Rule G-801. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-292. Repealed

Historical Note
Former Rule G-802. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-293. Repealed

Historical Note
Former Rule G-803. Repealed effective January 2, 1996 (Supp. 96-1).

R12-7-294. Repealed

Historical Note
Former Rule G-804. Repealed effective January 2, 1996 (Supp. 96-1).

Appendix 1. Repealed

Historical Note
Repealed effective January 2, 1996 (Supp. 96-1).